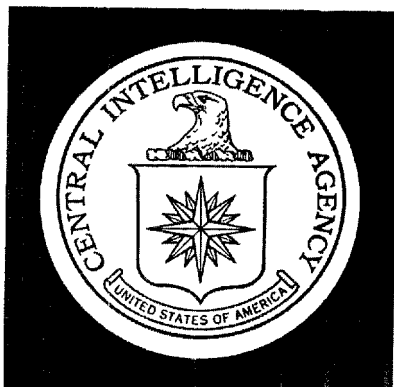


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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

State Department review completed

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3 March 1967

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(Information as of noon EST, 2 March 1967)

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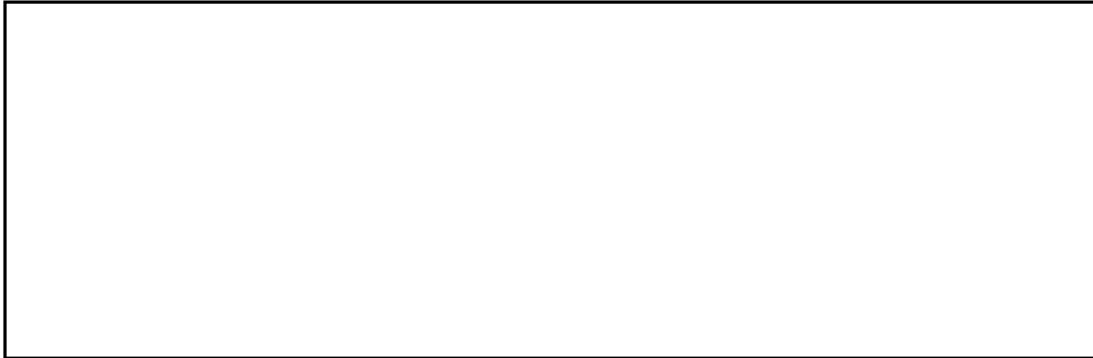
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The Senate's rejection of President Frei's proposed constitutional amendment has given the Christian Democratic Party an issue to exploit in the 2 April municipal elections. Local issues usually dominate such contests, however.

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Several presidents may not attend the meeting, either because of international disputes or domestic political conditions. Those attending may encounter Communist-inspired labor agitation.

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## FAR EAST

The retreat from the more radical aims and measures of the Cultural Revolution in China has gathered speed. The most influential force in the current drive to restore order and discipline appears to be Chou En-lai and leading members of the government bureaucracy, working in conjunction with the armed forces. The authoritative Red Flag has joined the chorus attacking ultraleftists and in a recent article identified "anarchism" as the chief current danger. Chou is apparently working to restore the authority of party cadres and organizations and troops have been used in some places to disband pro-Mao revolutionary groups and to arrest some of the leaders. There are signs of grave concern in Peking concerning the dislocations in the economy caused by the political chaos of the past months. Agriculture is high on the list of tasks to be tackled and the army has been ordered to help the peasants with spring planting.

Saigon's Constituent Assembly has completed its work on some of the most controversial parts of South Vietnam's new constitution dealing with legislative and executive powers. Neither Premier Ky nor Chief of State Thieu has yet emerged as a clear front-runner as the military leaders' candidate for the presidency, however.

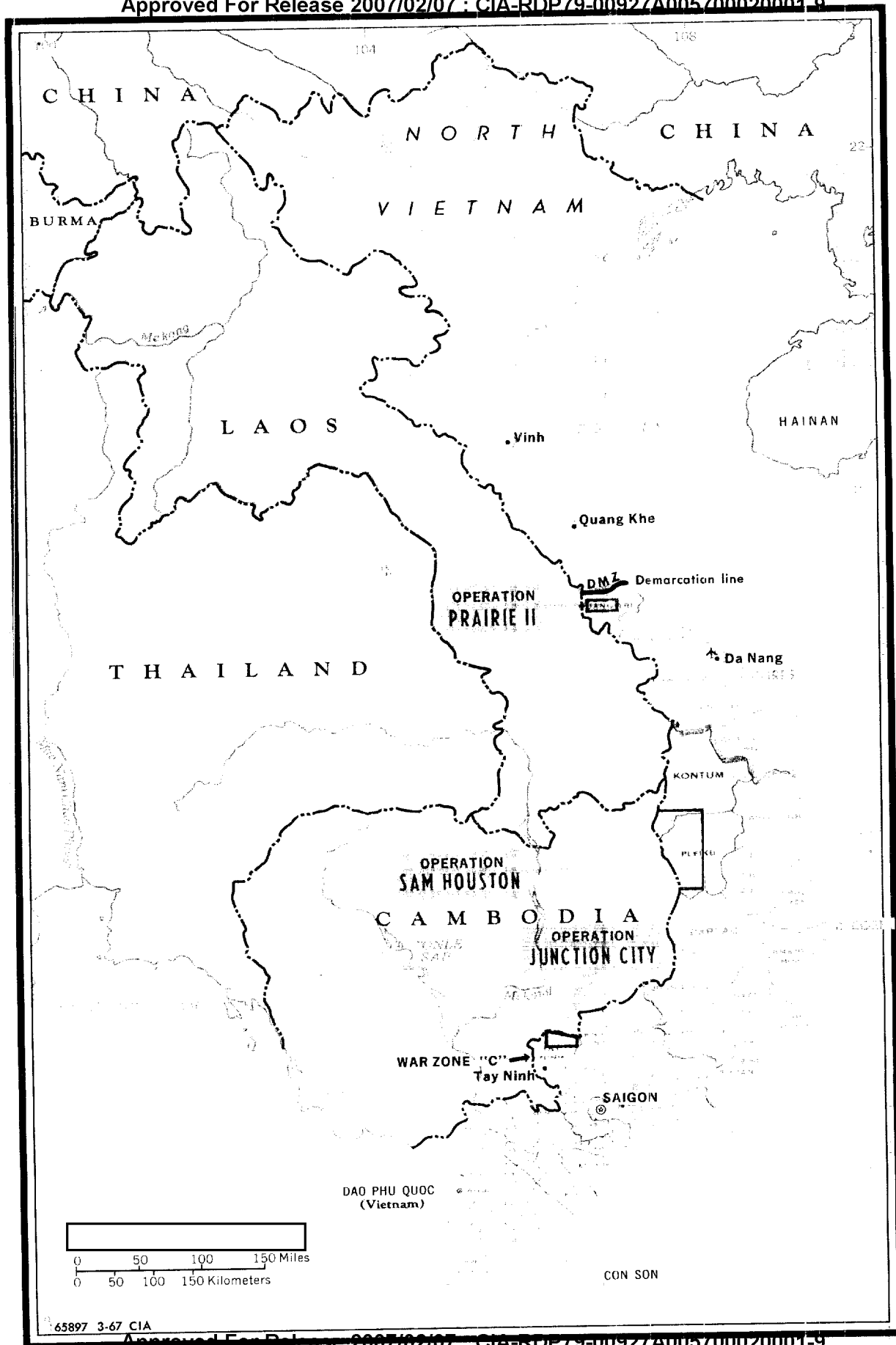
With Indonesia's Congress scheduled to convene in special session on 7 March, it is unclear just how far the country's rulers intend to carry the destruction of President Sukarno's position. General Suharto may approve stripping him of his title, but evidently does not want him brought to trial for involvement in the abortive 1965 coup attempt lest the unity of the armed forces be disrupted.

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## VIETNAM

The Communists have shown increasing aggressiveness in their military actions against allied defensive positions and in resisting major search-and-destroy operations.

Following numerous indications in recent weeks of heavy North Vietnamese Army (NVA) troop movements within and south of the Demilitarized Zone (DMZ), a US Marine patrol from Operation PRAIRIE II in northern Quang Tri Province was engaged by two NVA battalions about a mile south of the DMZ on 27 February. It is too early to determine, however, whether the engagement was part of an enemy plan for a wide-scale offensive in the northern provinces.

In the same area, the Communists have also tried to silence the 175-mm. heavy artillery guns which are shelling across the DMZ into North Vietnam. These artillery positions were unsuccessfully mortared on 28 February and again on 2 March.

Northwest of Saigon, Communist forces on 28 February offered their first significant resistance to Operation JUNCTION CITY, a 23-battalion US Army ground sweep in War Zone "C." After nearly a week of only light and

sporadic contact, Viet Cong and NVA regulars in company strength or larger groups attacked elements of the US 1st Infantry Division 15 miles north of Tay Ninh city. In the ensuing engagement, 167 enemy troops were killed, raising cumulative enemy casualties since the operation's inception on 21 February to 317 killed. US losses thus far stand at 41 killed and 282 wounded.

The 28 February engagement may well represent a stiff rear-guard action designed to cover the withdrawal of a much larger enemy force from the battle area.

In the central highlands, elements of the 1st and 10th NVA divisions are continuing to intensify harassment and probing actions against units of the US 4th Infantry Division conducting Cambodian border surveillance Operation SAM HOUSTON in adjacent northwestern Pleiku and southwestern Kontum provinces. The Communists may be either preparing major offensives in the highlands or becoming increasingly sensitive to allied incursions into major border redoubts.

The most significant Communist-initiated military action during the week was a devastating rocket attack against the US air

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base at Da Nang on 27 February. From positions four miles south of the base, troops believed to have been North Vietnamese fired about 50 Soviet-designed 140-mm. barrage rockets--a weapon not previously identified in the inventory of the NVA or Viet Cong forces operating in South Vietnam.

The range of these rockets--a maximum of 9,000 yards--poses additional security problems for major allied bases and permanent defense positions. The attack killed 11 US servicemen, damaged 18 US aircraft, and destroyed five communications vans.

#### Politics in Saigon

Saigon's political calm was marred this week by a series of antipeace and anti-French demonstrations either initiated by the Ky government or in response to its policies.

On 25 February, about 5,000 members of the Catholic community around Saigon staged an orderly "torchlight parade" to protest "international pacifism." Over the next few days, youths including members of the government-supported "Progressive Youth Corps" demonstrated around the French Consulate building. Further such demonstrations are reportedly planned.

The Saigon regime touched off these demonstrations by asserting that Vietnamese neutralists in Paris had formed a "coalition" government-in-exile with representatives of the Viet Cong Liberation Front. The "coalition" proved to be a Saigon propaganda operation aimed at discrediting foreign and domestic advocates of peace negotiations. The government may also hope to popularize the issues of anti-Communism and anticolonialism with an eye to gaining support for a military candidate in the forthcoming presidential election.

South Vietnam's Constituent Assembly, meanwhile, moved into its final month of deliberations with about two thirds of the constitutional articles approved. Although the chapter governing the executive branch now has been completed, there is still some disagreement between the Assembly and the Directorate over the powers of the executive.

In a letter to the assembly, Chief of State Thieu has reiterated the Directorate's opposition to the Assembly's approval of articles providing for elected province chiefs and mayors. A compromise which would allow the first president to appoint such officials is possible.

Thieu also officially requested that the constitution

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establish a national defense council to advise the president. The Assembly is likely to approve the request but may try to make the council a weak body which would limit the chances of military domination of the government.

#### Hanoi Official to Burma

The arrival in Rangoon of Ha Van Lau, the chief of the North Vietnamese Liaison Commission with the International Control Commission, at a time when U Thant was in the city has created considerable press speculation that the UN secretary general and the North Vietnamese would get together.

Although Ha Van Lau is not a high-ranking member of Hanoi's policy-making group, he is one of the regime's principal spokesmen on the war and would be well qualified to expound North Vietnamese views on US violations of the Geneva Accords and Hanoi's requirements for a peaceful settlement. Hanoi's propaganda treat-

ment of Secretary General Thant personally has always been circumspect, although it has consistently rejected any UN role in a peace settlement.

#### Hanoi Protests Mining of River Ports

The mining of two key river mouths in the southern DRV has evoked a sharp protest from North Vietnamese authorities to the International Control Commission. US Navy A6 aircraft dropped mines in the Song Ca River near Vinh and the Song Giang River at Quang Khe during the night of 16 February.

The acoustic and magnetic mines employed in this operation are intended to be effective against all types of motor-driven watercraft and against any sail-powered wooden craft which are carrying a metallic cargo such as ammunition or POL drums. The mines are a new type of bottom-lying weapon which are designed not to be susceptible to normal minesweeping techniques.

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## REVOLUTION SUBSIDING IN COMMUNIST CHINA

Some discord is still evident in parts of China, but order is gradually being restored, and the steam seems to be going out of Mao Tse-tung's Cultural Revolution. Steps are being taken to discredit and curb the more radical Red Guard groups and to restore the authority of the party. The army is clearly being used as the main instrument for re-establishing order.

Posters seen in Peking during the past week quote Premier Chou En-lai and Chairman Mao as reprimanding Red Guards for their "uncivilized" treatment of party officials and for the abusive tone of their posters. Chou said that the central committee does not necessarily agree with their posters, suggesting that the groundwork is being laid to rehabilitate some officials who have been under poster attack.

Chou also criticized by name three powerful Red Guard organizations. According to a broadcast from the capital of Shantung Province on 27 February, army units "abolished" one band of revolutionary rebels. Posters reveal that rebels sent out by the once-powerful Third Red Guard Headquarters in Peking have been recently arrested in the central provinces of Honan and Hupeh and in Tibet.

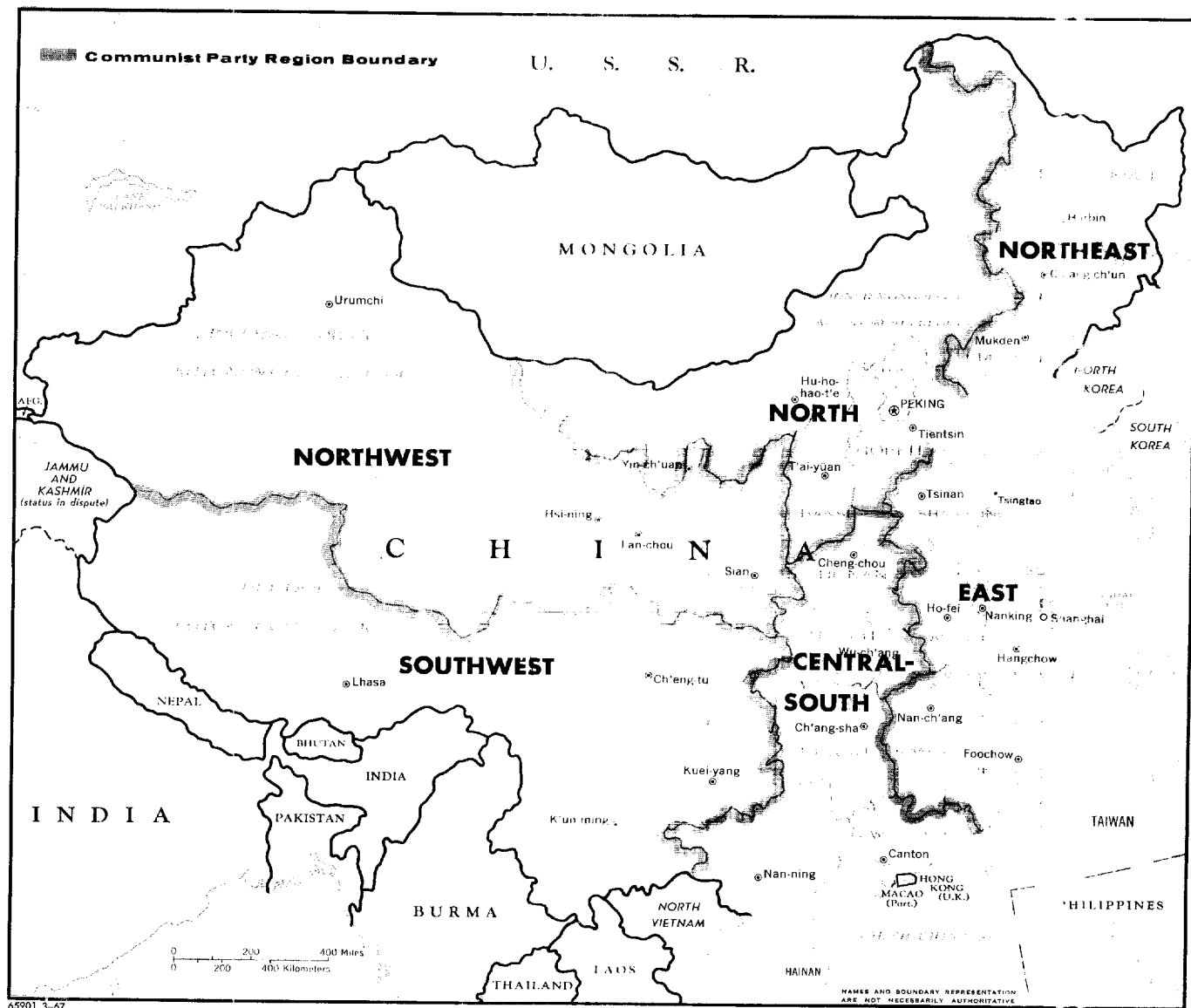
Another sign that Mao's Cultural Revolution is in retreat is found in a central committee directive issued on 19 February instructing high schools not to spend too much time studying Mao's writings after classes begin on 1 March.

Peking's change of course toward moderation may have been a factor in obtaining active cooperation from the armed forces, which appear to have been the key to halting major resistance in outlying areas. Some of the 40 or so key provincial and regional leaders have probably been dismissed, but the status of the others may now be the subject of negotiation. It seems likely that leaders in Peking are in the process of building a new power structure based on the much-publicized three-way alliance of army leaders, party cadres, and Maoist "rebel" elements with military and party officials playing the major roles. It remains to be seen how many members of the old establishment will be included. Indications that Li Hsueh-feng, North China Bureau chief who had been brought down, is being partly rehabilitated suggest that at least some of these men will be given jobs.

The development of the concept of the "three-way alliance"

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has led to the jettisoning of the commune structure for governing cities. Until early February an organization supposedly based on the Paris Commune of 1871 was being touted as a model, and the formation of such communes was announced by several cities. On 19 February, however, the central committee ordered that no city or province should use the name "commune" in its title and that those cities which had formed organizations promptly should establish new "Revolutionary Committees."

About the same time, according to posters, several leaders in Peking questioned whether the Paris Commune provided a useful guide for China. During the more radical phases of the Cultural Revolution there had been many articles extolling this experience and insisting on its applicability to China. The anarchic nature of the commune, however, has apparently worried many of Peking's leaders. Minister of Public Se-

curity Hsieh Fu-chih reportedly said, for example, that establishing communes might lead to a weakening of central control.

Meanwhile, the regime is moving ahead to deal with the pressing problem of tight food supplies. The 1966 grain crop was probably about five million tons smaller than in 1965 [REDACTED]

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Fertilizer imports so far contracted for in 1967 have reached an all-time high of 4.5 million tons. Preliminary indications are that the Chinese also intend to import 5 to 6 million tons of grain this year--approximately the level maintained during the past five years. [REDACTED]

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## INDONESIAN CONGRESS PREPARES TO ACT ON SUKARNO

As the Indonesian Congress prepares to convene in special session on 7 March, Indonesian leaders are still at odds over how much, if any, further action should be taken against President Sukarno.

Involved in the coup attempt, has revealed that Sukarno tried to protect him after the coup failed. Hard liners may use this to build up an anti-Sukarno atmosphere on the eve of the Congress session.

The uncertainty about Sukarno's fate now centers on whether the Congress will deny him even the titular presidency, as formally requested last month by the Parliament which constitutes almost half of the membership of the Congress. A statement issued by congressional leaders on 24 February implied that no further action was necessary. It noted that Congress had previously decreed that Suharto should take over as acting president if Sukarno were unable to fulfill his duties, and asserted that Sukarno's transfer of authority last week was simply a "clearing action" in accord with that decree.

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Pressures to bring Sukarno to trial may increase now that the trial of Brig. Gen. Supardjo, the highest ranking officer in-

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## EUROPE

In The Hague this week, British Prime Minister Wilson continued his canvass of the European Economic Community and, as expected, received a strong Dutch endorsement of Britain's desire to join. Wilson's visit to Luxembourg scheduled for 8 March will complete the consultations with the Six. He has said he will also consult with Britain's EFTA and Commonwealth partners before deciding to make a formal application.

In France, recent polls show a further drop in the popularity of Gaullist candidates for the national legislative elections on 5 March. De Gaulle has scheduled an election-eve television address in an effort to rally fence-sitters. The question is whether the Gaullists' losses will cost them their majority in the National Assembly.

Moscow's propaganda continues to belabor the Chinese for hindering Soviet aid to North Vietnam. The Soviets are also trying to encourage unrest on the Chinese side of the border by inflammatory broadcasts directed at ethnic minorities in Sinkiang. Moscow has transferred more fighter aircraft to fields near Manchuria recently.

In Eastern Europe, the Soviets have made themselves the focal point of continuing consultations on the German problem and on the move toward a conference of Communist parties on European security. An account of these diverse activities begins on page 16.

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## SOVIETS ARGUE ABM QUESTION

The Soviet agreement to enter into negotiations on limiting offensive and defensive missiles follows a spurt of recent statements by Soviet civilians and military authorities who offered varying assessments of the capabilities of the USSR's antiballistic missile (ABM) defenses.

In London, Premier Kosygin was generally negative about the Soviet position on a moratorium.



On 15 February, only a few days after Kosygin's return from London, Pravda ran an article by one of its most authoritative commentators, who conceded that ABM deployment could usher in a new stage in the arms race. He thus parted company with Kosygin, who had argued that defensive weapons do not heighten world tension. This piece also mentioned the price tag on an ABM system, citing Western estimates that the cost to the US would be about \$40 billion. In London, Kosygin had said that cost was not a proper criterion. The article also paraphrased Kosygin's negative-sounding statement about a separate ABM moratorium so that

the emphasis was on the USSR's willingness to discuss a reduction of both offensive and defense weapons.

On 17 February, Western newsmen reported from Moscow that a "Communist source," quoting "high Soviet authorities," had said the Pravda article was a mistake and that the author had been reprimanded. A new article was said to be in preparation setting forth the official, more negative Soviet attitude toward a moratorium. No such article appeared, and Soviet willingness to enter into discussions on the very basis set out by the Pravda article suggests that it was not a "mistake." If this by-play is indicative of backing and filling within the leadership on an ABM moratorium, those who put out the denial may simply have found themselves "outvoted" on the issue.

Adding to the impression of uncertainty left by these developments, the Soviet military last week issued a variety of statements about the capabilities of the Soviet ABM. At a press conference on 20 February General Kurochkin, commandant of the Frunze Military Academy, said that the Soviet air defenses reliably ensure the destruction of any aerial or space targets and that "the timely detection and destruction of missile warheads in flight are no problem today." These statements claimed much more than Defense Minister Malinovsky's assertion that the Soviet air defense forces possess weapons which "ensure reliable

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destruction of any airplanes and many rockets of the enemy."

General Batitsky, the air defense commander, said his forces "can reliably protect the country's territory from an enemy attack from the air," leaving open the question of countering ICBM attacks.

Other military leaders were even less categorical about ABM prowess. Marshal Chuykov, the civil defense chief, said flatly that "it is impossible to intercept completely all modern planes and even more so rockets launched through space." Marshal Bagramyan, chief of rear services, said

that "in recent years, a realistic possibility has arisen for us of effectively carrying out anti-rocket defenses"; his comment suggests that, although an ABM weapon has been developed, it has not yet become operational.

All in all the ambiguities and contradictions in these statements suggest that the Soviets have not made a final decision on wide-scale ABM deployment, perhaps because the question has not been settled within the leadership. There seems to be agreement, however, not to foreclose any options until it can be better judged what price the US would pay to have the USSR turn away from ABMs.

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## DISARMAMENT COMMITTEE AWAITS DRAFT NONPROLIFERATION TREATY

The Eighteen Nation Disarmament Committee (ENDC) which reconvened on 21 February has little to show for its two weeks of renewed activity. The USSR has so far declined to join with the US in tabling the draft formulations to ban the spread of nuclear weapons. The delay in ENDC consideration of the draft will allow those Western and nonaligned countries which have reservations about the treaty additional time to concert their positions.

Although the nonaligned members of the ENDC are being briefed as to the main provisions of the draft treaty, some of them represent having had no part in the negotiations so far and view the

draft treaty as a discriminatory one drawn up by the two chief nuclear powers. India, usually the spokesman for the nonaligned nations in the ENDC, considers the treaty one-sided and claims it in effect asks the nonnuclears to give up their right to develop nuclear weapons while the nuclear powers give up nothing.

Many of the objections raised by the nonaligned powers are similar to those of the Western Allies. Italy has taken the lead in voicing these objections and at an ENDC meeting this week took the position that the members must draft an "effective and equitable" nonproliferation treaty (NPT) which would provide

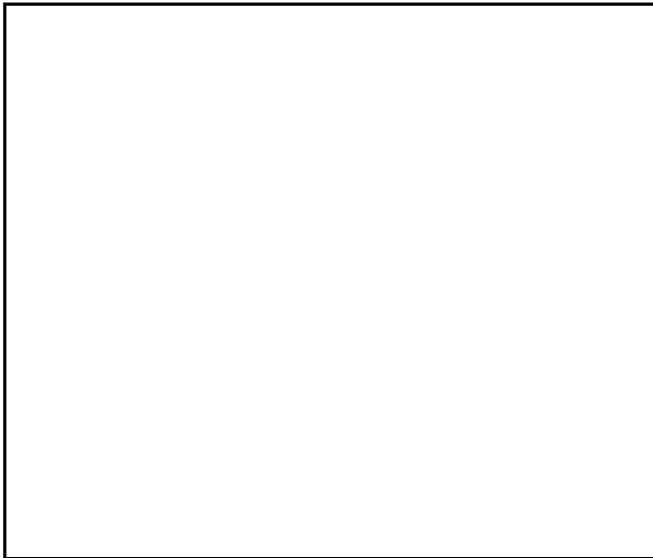
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a just balance between the nuclear and nonnuclear powers and would not hinder the scientific and technological progress of the latter.

A major stumbling block to the draft treaty remains the problems raised within the Western Alliance by the provision of nuclear safeguards. Several of the EURATOM countries continue to consider International Atomic Energy Authority (IAEA) safeguards discriminatory against EURATOM members, and it is becoming increasingly clear that the arguments are evolving along political rather than technical lines.

There is also concern that the safeguards issue could become another obstacle to the UK's accession to the Common Market. Dutch and Italian officials continue to make the point that Paris is maneuvering to be able to claim that London is showing "too little concern for European integration" in its support of the treaty. The British press has in fact taken notice of the difficulties within EURATOM and the delicate situation in which the UK has been placed.



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In what can be considered a rather rare and united undertaking vis-a-vis foreign policy questions, several subordinate committees preparing for the European Parliament meeting--scheduled for 13-18 March in Strasbourg--have been sharply critical of the NPT and especially the safeguards provision. The US has been singled out in particular in the committee debates as attempting to destroy EURATOM and observers believe that this anti-American tone will be repeated in the full parliamentary session.

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## NATO LOOKS TO ITS FUTURE

During the next six months or so, NATO will conduct the most extensive self-examination it has ever attempted. At its 22 February meeting the North Atlantic Council (NAC) formally approved the Belgian plan to es-

tablish a special group of national representatives to undertake a long-range study of NATO's political purposes and tasks. This activity will be in addition to other studies already planned or under way, including

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the new Nuclear Planning Group's study of alliance nuclear policy, and the US, UK, and German talks on strategy, force levels, and economic burdens. Finally, the force planners are charged with developing the alliance's first comprehensive five-year military plan.

The Belgian-inspired study group will consist of the permanent representatives on the NAC and such national experts as the member states may designate. France has agreed to participate, although there has been no change in its view that the utility of the alliance has diminished and will continue to do so in the future.

The group is to complete an interim report for the meeting of NATO foreign ministers in June focusing broadly on political developments as they have affected the alliance since its inception in 1949. Next, the group will tackle the thornier questions concerning how NATO should be altered in light of changes in the world situation since then. Among the issues to be considered will be how to improve political consultative procedures. Basic to any consideration of the future of NATO is the issue of the relative influence of the US as compared with that of Europe. The suggestion has been made that a "European caucus" should be

created within the NAC. NATO's defense role in areas outside the defense perimeter of the alliance and possible new European security arrangements will be discussed as well as the role of NATO in the further development of the East-West detente. Hopefully, this final phase of the study will be completed in time for the ministerial level NAC meeting next December.

The sensitivity of issues arising from the detente was underscored last week by the heavy criticism leveled at the proposed UK-Soviet friendship treaty during an informal meeting of NAC representatives. Most of the major alliance partners, including the French, charged that the UK had failed to consult adequately with its NATO allies before agreeing to consider the treaty proposal, and warned that such a treaty would create a serious split in the alliance between those members that might be invited to have such friendship pacts with the Soviets and those, such as Germany, that might not.

Although the criticism undoubtedly reflected irritation at Britain's handling of the matter, it fortuitously pointed up the real need for improved alliance coordination on bilateral approaches from the Soviets.

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## SOVIET AND EAST EUROPEAN CONSULTATIONS CONTINUE

The USSR and its Eastern European allies are following up last month's foreign ministers' meeting in Warsaw with further government and party consultations. Their aim is to find some consensus on several issues, probably the most pressing of which is how to deal with West Germany's recent diplomatic overtures in light of Rumania's agreement to exchange ambassadors with Bonn. Rumania attended the February meeting, but is not participating in the current round of talks.

The Soviets remain a focal point in the contacts, continuing the precedent set by Brezhnev's and Kosygin's numerous personal contacts of late with the East Europeans. Hungarian party boss Kadar and Polish Defense Minister Spychalski arrived in Moscow on 25 February, the day Czech Foreign Minister David concluded ten days' of meetings there. During his two-day visit, Spychalski talked with Brezhnev as well as Warsaw Pact commander Marshal Grechko. Bulgarian Party First Secretary Zhivkov is expected in Moscow in the next few days for further consultations.

In addition to these activities, representatives of 19 Western and Eastern European Communist parties met in Warsaw from 22 to 26 February to plan for a party conference on European security scheduled for late April in Czechoslovakia.

The meeting's communiqué said "organizational plans" had

been made, and several position papers had been approved for dissemination in advance of the April conference. Neither Rumania nor Yugoslavia was represented in Warsaw, and neither is expected at the April meeting, since both hold that progress toward European security can only be achieved in concert with Western European governments.

The USSR, East Germany, and Poland want the Warsaw Pact countries to stand united in strongly affirming East German statehood and existing frontiers, and in opposing West German access to nuclear weapons. The USSR and Poland would make acceptance of these propositions the prerequisite to rapprochement with West Germany. East Germany believes their acceptance should precede even an exchange of ambassadors with Bonn. So far, however, the three apparently have been unable to persuade Hungary and Czechoslovakia to do more than delay exchanging ambassadors with Bonn and, possibly to press the West Germans for certain minor concessions.

Polish Foreign Minister Rapacki has been making soundings in Paris and London but these have largely failed to elicit support for Poland's views on the German question. Warsaw nevertheless probably will continue to try to link this question with the issue of European security.

The renewal this week in Warsaw of the Polish-Czech treaty

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of friendship and mutual assistance underscored the West German military "threat." However, despite rumors that East Germany's Ulbricht would participate in the treaty ceremonies as an "act of solidarity," no such gesture was made. Nevertheless, Ulbricht reportedly will visit Warsaw later this month, and possibly

Prague, to sign similar treaties. His visit to Warsaw could also enable the Poles to float a new European security proposal which they are reportedly readying. Ulbricht's trips, if they occur, and the East German party congress in mid-April will provide his regime with public forums for pressing its views.

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### HIGH 1966 EAST-WEST GERMAN TRADE RISE UNLIKELY IN 1967

Despite continuing political difficulties between East and West Germany, the value of interzonal trade registered an abnormally large increase of 20 percent in 1966. Total trade probably approached \$750 million, according to preliminary data.

Much of the increase was due to expanded East German purchases of hard goods, mostly iron and steel products and machinery. As a result, the East German import surplus in these strictly regulated trade accounts is now almost at the maximum level permitted. Consequently, the over-all increase in trade in 1967 is likely to be much smaller than in 1966, perhaps no more than five percent.

Growth in the trade between East and West Germany in 1967 is also likely to be limited by East Germany's cutoff of petroleum products deliveries to the Federal Republic since the first

of the year. This embargo seems aimed at pressuring the West Germans into reinstituting petroleum subsidy payments and, if not lifted, will diminish the total of Eastern deliveries for the year. In 1965, petroleum deliveries were worth more than \$17 million. The embargo will not seriously affect West Berlin, which is largely supplied from Western sources.

Recent declines in East German deliveries of traditionally important goods such as brown coal and petroleum have to some degree been offset by increased deliveries of soft goods, including agricultural products. There may be some room for expanding these deliveries. For example, West Berlin recently decided to buy some of its milk from the East. However, to expand trade significantly, East Germany will have to make available a wider range of goods acceptable to the West, and this it will probably be unable to do.

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## RECENT SOVIET MILITARY AID DELIVERIES

Soviet military aid deliveries to recipients in Africa and the Middle East are continuing at a substantial rate.

In late January Morocco received the initial delivery from the USSR of materiel covered by the \$2-million arms agreement of October 1966. The agreement calls for the supply of small arms for Morocco's auxiliary police force and spare parts for Soviet equipment--including tanks, artillery, and a few MIG-15/17 jet fighters--delivered in the early 1960s.

Soviet deliveries to Algeria's military establishment continue. Recent naval deliveries have included six Komar-class guided-missile patrol boats--the first in Algeria's naval inventory. Motor torpedo boats and possibly a destroyer and a submarine are also expected. In addition, Algeria has recently received six IL-28 jet light bombers, an MI-4 helicopter, four YAK-18 trainers, and some ground forces equipment.

Egypt has recently received a Shershen-class motor torpedo boat. This is the first time the Soviets have sold this item to any non-Communist country. Egypt also is expected to receive the

first surface-to-air-missile-equipped Kotlin-class destroyers to be exported by the USSR.

Deliveries of military equipment to Iran are expected to begin this month in implementation of that country's first arms agreement with the USSR, concluded in January 1967.

Marshal Zakharov, chief of the Soviet General Staff, arrived in New Delhi on 28 February for a nine-day state visit. He will discuss implementation of the present Soviet military aid program in India, but no new agreement is expected. Two Soviet patrol boats of the Poluchat-1 class arrived in Bombay on 16 February. These were contracted for under an arms deal of September 1965 which called for the delivery of four F-class submarines, a submarine tender, two landing ships (delivered in 1966), five Petya-class escort ships, and five small patrol boats.

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## MIDDLE EAST - AFRICA

The Indians are still digesting the results of their elections (reviewed on the following page). The unseating of a number of Congress Party stalwarts and the party's loss of several state governments raises new uncertainties about the future complexion of the central government and its relationships with the states, whose considerable autonomy already complicates solutions to India's urgent economic and social problems.

In the Arab world, the trend is toward even more acrimony between radical and conservative leaders. Jordan's King Husayn seems increasingly confident of his ability to stand up to Nasir and has withdrawn his ambassador from Cairo. A step-up in fighting in Yemen threatens to be a considerably more serious manifestation of the dispute between Saudi Arabia's King Faysal and Nasir.

To the south, further violence besets the British in Aden as feuding Arab nationalists jostle for the power they aspire to when the British leave. Moreover, Nasir has now surfaced in Yemen elements of the South Arabian "liberation army" he said last week he was building. The UN commission which is to look into the South Arabian situation has finally been appointed, but has little chance of accomplishing much.

On Cyprus, Makarios' Czech arms are still in storage. However, the island's perpetual crisis continues, and a burgeoning new Greek political crisis (see page 22) will not improve the chances for any meaningful Greek-Turkish discussions.

Intelligence interest still focuses on the 19 March referendum in French Somaliland and on the continuing feud among Nigeria's leaders. There remains some hope that other African personages may be able to effect some reconciliation in Nigeria, but the Eastern Region in Nigeria is assuming a more independent stance and prospects appear increasingly gloomy. [REDACTED]

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## INDIAN ELECTION RESULTS

Returns from India's first general election since the death of Jawaharlal Nehru in 1964 have reflected the considerable recent growth of popular dissatisfaction with 20 years of Congress Party rule and portend a transitional period of increased political tension and instability.

The Congress Party has lost most of its traditional commanding parliamentary majority. Nearly complete results from the elections for the lower house of the national parliament indicate that the party will control only about 55 percent of the 523 members. Previously its majority had always exceeded 70 percent.

Although the opposition will thus be much stronger numerically in parliament, it remains splintered and ideologically divided. The major right-wing parties--the conservative Swatantra and the Hindu nationalist Jan Sangh--scored the largest gains at Congress' expense, but neither is expected to gain the 52 seats required for official recognition as an opposition party. The two rival Communist parties also improved some on their previous meager representation, but lag considerably behind the right-wing parties in the number of parliamentary seats captured.

The strong mandate given to anti-Congress forces in the legislatures of at least three states--Kerala, Madras, and Orissa--may pose problems for Congress even more serious than the slim margin it retains in the national Parliament. The delicate balance of power between national and state governments under the Indian federal system was already strained. Now, however, the Congress government in New Delhi must deal with a Communist-dominated coalition in Kerala, an aggressive regionalist party governing in Madras, and a rightist Swatantra-led coalition in Orissa.

In West Bengal, where congress won only a plurality, a radical leftist coalition government may be formed. In at least two of the four other states where it won only a plurality, Congress may be able to woo enough independents, former Congress members, or dissidents from other parties to enable it to form governments. In one or perhaps two of these four, however, Congress may have to rely on shaky coalitions, or possibly on direct rule from New Delhi.

A distinct new "right" or "left" trend in Indian politics does not seem to be indicated. The voting pattern appears more

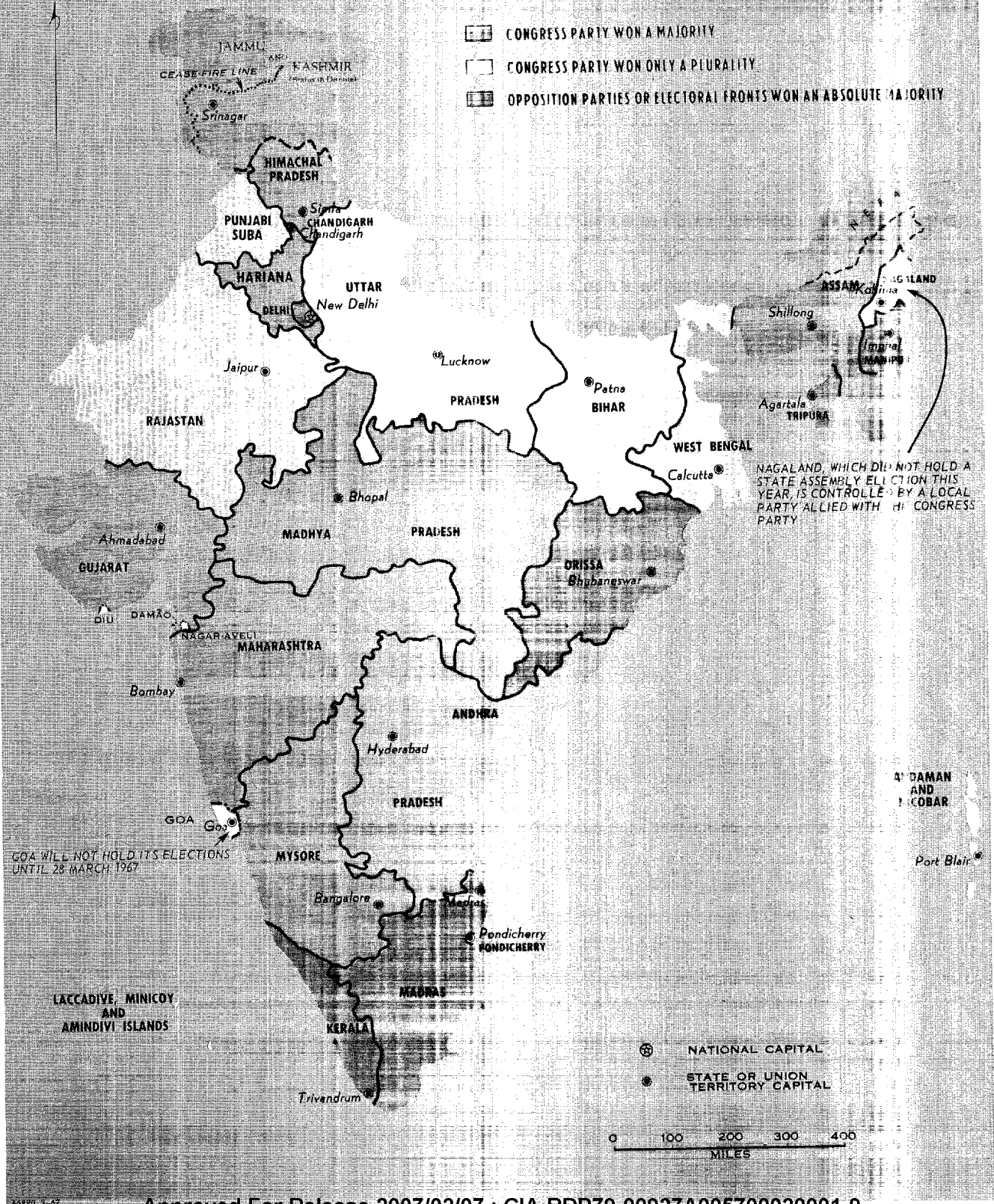
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# INDIA

## Outcome of February 1967 Elections



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to represent a solid protest against Congress' failure to live up to its long-standing promises of the better life. In Rajasthan and Orissa, the Swatantra party, as the strongest local opposition element, benefited the most from the prevailing anti-Congress mood. In Kerala and West Bengal, the Communist and other left-wing parties had the best machinery for exploiting the discontent. The Jan Sangh Party, despite its pretensions to nationwide appeal, found most of its support in north-central India.

The brunt of the anti-Congress feeling was felt most severely by a number of prominent Congress leaders who were defeated in various parts of the country.

With the humbling results of the election now behind them, the Congress party leaders have turned their attention to selecting a prime minister. The newly elected Congress members of parliament will make this choice on 12 March.

It is still not clear if the Congress Party bosses will be able to engineer a consensus beforehand, but Mrs. Gandhi in any event will apparently be challenged again by aging party stalwart Morarji Desai. A finance minister in one of Nehru's cabinets, Desai has been a strong critic of the Gandhi administration. A bitter power struggle could further endanger the already fragile party unity.

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## GREEK POLITICIAN CHARGED WITH TREASON

The continuing controversy over a 1965 political scandal is again bringing Greek politics to a boil.

The Ministry of Justice last week requested that parliament lift the parliamentary immunity of Andreas Papandreou and another Center Union (EK) deputy for their roles in the so-called "Aspida" affair in which an al-

leged pro-EK and antipalace group of military officers conspired against the government. The two men have been charged with high treason on the basis of testimony in the current trial in Athens of others allegedly involved in the conspiracy.

The Justice Ministry acted soon after publication of alleged

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secret testimony by General Tsolakas, the chief of the National Defense General Staff. Tsolakas virtually upset the prosecution indictment by charging that four colonels on trial were actually victims of slanderous testimony.

Although it seems doubtful that the government will succeed in stripping Andreas Papandreou of his immunity, the action has served to enliven the political scene. It could jeopardize the current plans for elections in May should bitter parliamentary debate over the issue lead to the downfall of the interim Paraskevopoulos government. Unless the government is successful or undertakes some other flagrant anti-EK action, EK leader George Papandreou--Andreas' father--will probably continue to support the plans for elections under Paraskevopoulos.

However, some elements in the conservative National Radical Union (ERE) have never liked the

present transitional arrangement and would prefer that elections be held under an ERE government. ERE leader Kanellopoulos has long desired to lead such a government.

In addition, the action, which must have received at least the tacit approval of King Constantine, has once again revived the issue of the monarchy and has cast the accused Andreas in a martyr's role. Although Constantine probably still favors the scheduled elections, he has been disappointed in his hopes for a sharp split in the EK and has become increasingly anxious over Andreas Papandreou's extremism and his father's inability to control him.

Should the King succumb to rightist pressures on him to postpone elections or to deviate from the constitution by naming a dictatorial regime, country-wide reaction could be more violent than apparently is envisioned by some of his advisers and by extreme rightist factions.

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## PRESIDENT OBOTE OF UGANDA FACES GROWING OPPOSITION

A coup attempt against Uganda's President Obote rumored to be imminent last week failed to materialize. Obote remains in power but his domestic opposition is growing.

A report of a shooting by army personnel and troop movements in the Kampala area on the weekend of 18-19 February gave rise to a rash of rumors early last week, and when Obote failed to appear for a ceremony in Mombasa, Kenya, more rumors circulated of his arrest and assassination, and of a coup by army commander Amin. These were then given some seeming credibility by the closing of Uganda's border with Kenya.

Whatever the train of events, however, Obote, an astute politician who has thus far outmaneuvered his opponents at every turn, subsequently showed up unharmed at a press conference. Here, he bitterly attacked the British high commissioner in Kampala and the Nairobi press for spreading the rumors and thus undermining his government. Obote also claimed somewhat vaguely that the border with Kenya had been closed temporarily to protect Uganda from a South African and Rhodesian plot.

Despite his disclaimers of any domestic threat to his government, Obote's position does appear to be weakening. His re-

lations with Amin have deteriorated sharply since January. This rift is being exploited by Obote's enemies [REDACTED]

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[REDACTED] Amin is not believed to be politically ambitious, but may feel his position as head of the army is threatened.

Obote can probably no longer count on the army, which along with the police has helped sustain his regime. The ill-disciplined army is divided by tribal jealousies over alleged favoritism toward officers of Obote's own Lango tribe at the expense of Acholi officers. [REDACTED]

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[REDACTED] Moreover, Obote is still involved in a bitter dispute with the Baganda people over his removal of their king last May. Baganda dissidents have formed a "Secret Council" which was reportedly responsible for the assassination attempt against him in late January.

Uganda seems likely to be in for an extended period of uncertainty and instability. A serious threat to Obote could arise at any time should the disparate opposition elements become better organized or reach an accommodation with General Amin. [REDACTED]

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## WESTERN HEMISPHERE

With the successful completion of the inter-American meetings in Buenos Aires this week, the attention of several Latin American governments has shifted to student and labor problems at home.

The hostility of student groups--especially university students--is becoming an increasingly severe headache for a growing number of hemisphere governments, including several of a left-of-center political hue. Thus in some areas of Mexico, university students began the new academic year with protest demonstrations, while teachers were striking for higher salaries; agitation is expected at other Mexican universities as the year wears on. In Venezuela, the Leoni government faces the problem of enforcing its stiff new university controls despite student defiance. The government thus far has remained firm but must take further initiatives if an acceptable solution of its confrontation with the students is to be worked out.

Brazilian authorities only partially succeeded this week in preventing illegal student organizations from meeting in Rio to protest "foreign intervention in Brazil's educational institutions," and the students reportedly hope to mar President-elect Costa e Silva's inauguration on 15 March by staging demonstrations or other incidents.

Labor problems are plaguing the governments of Argentina, Uruguay, and El Salvador. Although the general strike in Buenos Aires on 1 March was largely unsuccessful, most of organized labor remains squared off against the Ongania regime with no end of the dispute in sight. Uruguay's new president, Oscar Gestido, faces the prospect of a continuation of a long series of Communist-led strikes over bona fide economic issues. The Rivera government in El Salvador, preoccupied with last-minute preparations for the 5 March presidential election, is also being forced to deal with a re-current urban bus drivers' strike.

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## VENEZUELAN UNIVERSITY SITUATION AT CRITICAL STAGE

A critical stage may have been reached in relations between the Venezuelan Government and Central University in Caracas.

The government suspended classes in mid-December and occupied the campus, which had been a haven for Communist terrorists since at least 1963. Subsequently, the government issued a regulation terminating university extraterritoriality and outlawing

Communist activity on campuses throughout the country. When Central University reopened on 20 February, leftist extremists and student leaders of the Christian Democratic COPEI party united in a series of noisy but non-violent demonstrations against the regulation, which led the university council to suspend classes. Universities in other cities have remained quiet.

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The government deliberately avoided using its security forces, thus strengthening its public case by demonstrating the irresponsibility of the students and the inability of the university administration to control them. At the same time, however, the government has only postponed a final solution to the problem.

Unless the government, the university administration, and the student leaders are able to reach some agreement soon, the university will remain closed and

the students will lose a full academic year. The government, which is under military pressure, holds the upper hand at the moment and is not likely to back down in its determination to control student violence. Student leaders, faced with the loss of the long-standing privileges inherent in university extra-territoriality, can be expected to resist the government's control measures. If they fail the era of extremist dominance of Venezuelan student life may be at an end.

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## CONTINUING CONSTITUTIONAL CONFUSION IN CHILE

The Chilean Senate's rejection on 23 February of President Frei's proposed constitutional amendment permitting the president to dissolve Congress and call new elections will exacerbate the controversy between Frei and his Senate opposition. Despite intensive government pressure, the only support outside Frei's own Christian Democratic Party (PDC) came from the right-wing Nationalist and Communist Senators. The Socialists opposed the bill, increasing the strain between themselves and the Communists, with whom they cooperate in the Popular Action Front.

The US Embassy believes that the government was not really enthusiastic about the reform proposal, fearing that the PDC might not gain solid majorities in both houses of Congress if elections were held immediately. The rejection of reform, however, will

give the government an issue with which to berate the opposition parties.

Frei may try to set up a referendum to get a vote of confidence in his administration, but the actual constitutional procedures involved in such a step are somewhat vague.

Frei has indicated that he intends to use the issue of opposition obstructionism during the campaigning for municipal elections to be held on 2 April. On 12 February he described the elections as an opportunity for the people to choose between the Senate and the President. He clearly hopes thus to override the local issues that usually decide such elections, and to use his prestige to increase PDC successes.

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## WESTERN HEMISPHERE SUMMIT MEETING FACES PROBLEMS

Plans for the inter-American summit meeting are encountering problems as a result of international domestic developments. The meeting is scheduled for 12-14 April in Punta del Este, Uruguay.

Several Latin American presidents have indicated that they may not participate in the conference. Dominican President Balaguer has indicated that his attendance will depend upon political conditions in his country. President Barrientos of Bolivia has announced that he will stay away from the meeting unless the question of Bolivia's access to the sea is on the agenda. Bolivia claims that this matter is of importance to its economic development, and therefore is a legitimate matter of concern to the meeting. Most other countries, however, are unwilling to open the agenda to specific bilateral questions.

Peru and Ecuador are engaged in a dispute with the United States over fishing rights and the extent of their territorial waters, and their presidents may also refuse to attend, although no decisions to that effect have been made. Haitian President Duvalier may fear a coup during

an absence from the country, and is expected to use the carnival celebrating his 60th birthday on 14 April as public justification for not attending the meeting.

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